**DFARS Case 2017-D036**

**Payment Instructions**

**Final Rule**

**Part 204—Administrative and information Matters**

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**SUBPART 204.71—UNIFORM CONTRACT LINE ITEM NUMBERING**

**SYSTEM**

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**204.7108 Payment instructions.**

Follow the procedures at [PGI 204.7108](http://www.acq.osd.mil/dpap/dars/pgi/pgi_htm/PGI204_71.htm#204.7108) for inclusion of payment instructions in contracts.

**204.7109 Contract clauses.**

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(b) Use the clause at [252.204-7006](http://www.acq.osd.mil/dpap/dars/dfars/html/current/252204.htm#252.204-7006), Billing Instructions**[−Cost Vouchers]**, in solicitations and contracts **[when a cost-reimbursement contract, a time-and-materials contract, or a labor-hour contract is contemplated.]**~~if Section G includes—~~

~~(1) Any of the standard payment instructions at PGI 204.7108(b)(2); or~~

~~(2) Other payment instructions, in accordance with PGI 204.7108(d)(12), that require contractor identification of the contract line item(s) on the payment request~~.

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**Part 232—Contract Financing**

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**SUBPART 232.5—PROGRESS PAYMENTS BASED ON COSTS**

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**232.502-4-70 Additional clauses.**

(a) Use the clause at [252.232-7002](http://www.acq.osd.mil/dpap/dars/dfars/html/current/252232.htm#252.232-7002), Progress Payments for Foreign Military Sales Acquisitions, in solicitations and contracts that—

(i) Contain FMS requirements; and

(ii) Provide for progress payments.

(b) Use the clause at 252.232-7004, DoD Progress Payment Rates, instead of Alternate I of the clause at FAR 52.232-16, if the contractor is a small business concern.

**[(c) Use the clause at 252.232-7018, Progress Payments−Multiple Lots, to authorize separate progress payment requests for multiple lots.]**

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**Part 252—Solicitation Provisions and Contract Clauses**

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**SUBPART 252.2—TEXT OF PROVISIONS AND CLAUSES**

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**252.204-7006 Billing [I]~~i~~nstructions[−Cost Vouchers].**

As prescribed in [204.7109](http://www.acq.osd.mil/dpap/dars/dfars/html/current/204_71.htm#204.7109)(b), use the following clause:

BILLING INSTRUCTIONS**[−COST VOUCHERS]** (~~OCT 2005~~**[MAY 2023]**)

When submitting a request for payment **[using a cost voucher]**, the Contractor shall—

(a) Identify the contract line item(s) on the payment request that reasonably reflect contract work performance; and

(b) Separately identify a payment amount for each contract line item included in the payment request.

(End of clause)

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**252.232-7002 Progress [P]~~p~~ayments for [F]~~f~~oreign [M]~~m~~ilitary [S]~~s~~ales [A]~~a~~cquisitions.**

As prescribed in [232.502-4-70](http://www.acq.osd.mil/dpap/dars/dfars/html/current/232_5.htm#232.502-4-70)(a), use the following clause:

PROGRESS PAYMENTS FOR FOREIGN MILITARY SALES ACQUISITIONS

(~~DEC 1991~~**[MAY 2023]**)

If this contract includes foreign military sales (FMS) requirements, the Contractor shall—

(a) Submit ~~a~~ separate progress payment request**[s]** for **[the FMS and U.S. line items in the contract;]**~~each progress payment rate; and~~

(b) Submit a supporting schedule showing~~—~~

~~(1) T~~**[t]**he amount of each request distributed to each country's requirements; ~~and~~

~~(2) Total price per contract line item applicable to each separate progress payment rate.~~

(c) Identify in each progress payment request the contract requirements to which it applies (i.e., FMS or U.S.);

(d) Calculate each request on the basis of the prices, costs (including costs to complete), ~~subcontractor progress payments~~ **[subcontract financing]**, and progress payment liquidations of the contract requirements to which it applies; and

(e) Distribute costs among ~~contract line items and~~**[the]** countries in a manner acceptable to the Administrative Contracting Officer.

(End of clause)

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**[252.232-7018** **Progress Payments−Multiple Lots.**

**As prescribed in 232.502-4-70(c), use the following clause:**

**PROGRESS PAYMENTS−MULTIPLE LOTS (MAY 2023)**

**(a) *Definitions*. As used in this clause—**

**“Lot” means one or more fixed-price deliverable line items or deliverable subline items representing a single, severable group where the sum of the costs for each group is segregated and a single progress payment rate is used.**

**“Multiple lots” means more than one lot on a single contract where progress payment proration is performed on a lot-wide, versus contract-wide, basis.**

**(b) When submitting progress payment requests under the billing instructions in Federal Acquisition Regulation (FAR) clause 52.232-16, Progress Payments, or Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.232-7002, Progress Payments for Foreign Military Sales Acquisitions, of this contract, the Contractor shall—**

**(1) Submit separate progress payment requests for each lot identified in the contract;**

**(2) Identify the contract price for the lot as the sum of all fixed-priced line items identified to the lot, in accordance with FAR 32.501-3;**

**(3) Identify the lot on each progress payment request to which the request applies;**

**(4) Calculate each request on the basis of the price, costs (including the cost to complete), subcontractor financing, and progress payment liquidations of the lot to which it applies; and**

**(5) Distribute costs among lots in a manner acceptable to the Administrative Contracting Officer.**

**(c) Submit a separate progress payment request for U.S. and FMS requirements in accordance with the DFARS clause 252.232-7002, Progress Payments for Foreign Military Sales Acquisitions, of this contract.**

**(End of clause)]**

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